

HOUSE BILL No. 1181

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-4-3-4.1.

Synopsis: Property taxation of annexed agricultural land. Provides that certain property annexed by a municipality with the consent of the property owner is exempt from property tax liability for municipal purposes if the property is assessed as agricultural property under the rules of the department of local government finance.

Effective: January 1, 2007 (retroactive).

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January 11, 2007, read first time and referred to Committee on Local Government.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1181

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 36-4-3-4.1, AS AMENDED BY P.L.71-2006,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2007 (RETROACTIVE)]: Sec. 4.1. (a) The legislative
4 body of a municipality may, by ordinance, annex territory that:

5 (1) is contiguous to the municipality;

6 (2) in the case of a town having a population of more than:

7 (A) fifteen thousand (15,000); or

8 (B) five thousand (5,000) but less than six thousand three
9 hundred (6,300);

10 located in a county having a population of more than one hundred
11 thousand (100,000) but less than one hundred five thousand
12 (105,000), has its entire area within the township within which the
13 town is primarily located; and

14 (3) is owned by a property owner who consents to the annexation.

15 (b) **Subject to subsection (c), property located in** territory
16 annexed under this section:

17 (1) is exempt from all property tax liability under IC 6-1.1 for

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municipal purposes for all portions of the annexed territory that are if the property is:

(A) classified for zoning purposes as agricultural; or

(B) if clause (A) does not apply, assessed as agricultural property under the rules of the department of local government finance; and remain

(2) remains exempt from the property tax liability while:

(A) the property's zoning classification remains agricultural; However, or

(B) if clause (A) does not apply, the property is assessed as agricultural property under the rules of the department of local government finance.

(c) If the annexation ordinance annexing the territory is adopted after June 30, 2006, the property tax liability under IC 6-1.1 for municipal purposes may be exempted for a period of not more than ten (10) years.

(d) There may not be a change in the zoning classification of territory annexed under this section without the consent of the owner of the annexed territory.

(e) Territory annexed under this section may not be considered a part of the municipality for purposes of annexing additional territory under section 3 or 4 of this chapter. However, territory annexed under this section shall be considered a part of the municipality for purposes of annexing additional territory under section 5 or 5.1 of this chapter.

SECTION 2. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]

(a) IC 36-4-3-4.1, as amended by this act, applies only to property taxes first due and payable after December 31, 2007.

(b) Subject to subsection (c), property that would have been exempt under IC 36-4-3-4.1, as amended by this act, from all property tax liability under IC 6-1.1 for municipal purposes if IC 36-4-3-4.1, as amended by this act, had been in effect when the ordinance annexing the territory in which the property is located was adopted:

(1) is exempt from all property tax liability under IC 6-1.1 for municipal purposes for property taxes first due and payable in 2008; and

(2) remains exempt from the property tax liability while the property is assessed as agricultural property under the rules of the department of local government finance.

(c) If the ordinance annexing the territory in which property referred to in subsection (b) is located is adopted after June 30, 2006, the exemption under subsection (b) applies for not more than

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1 **ten (10) years.**
2 **SECTION 3. An emergency is declared for this act.**

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